

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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ADMINISTRATIVE COUNCIL MEETS

Discusses Problems Developing from Outbreak of European War

The meeting of the Administrative Council of the Association held at Washington on September 25 and 26, was devoted largely to a discussion of the situation arising from the war in Europe as it affects the canning industry and the activities of the Association. In order that the entire industry might have the information upon which much of the discussion was based, the Council authorized publication and distribution of a memorandum, submitted to the Council, which reviewed the situation in the years 1914-1921, and pointed out the questions that may arise under present conditions. Copies of the memorandum have been mailed this week to all canners.

Changes that may be necessary and advisable in sales contracts under conditions resulting from war in Europe were considered, and the Council authorized the drafting of appropriate clauses to be distributed to canners and brought before the Conference Committees of Canners and Distributors.

The Council also approved extension of the activities of the Division of Statistics to include the assembling of data covering past periods only, from which may be compiled weighted indexes of the prices of canned fruits and vegetables, so that such indexes may be correlated with other available indexes on prices, industrial activity, distribution, etc. The projected work does not contemplate current market reporting.

Progress in the establishment of standards and regulations under the provisions of the Food, Drug, and Cosmetic Act, as well as the procedure for the establishment of such standards, was reviewed. The Association, it was reported, had submitted briefs and statements to the Department of Agriculture with respect to questions upon which there was general agreement within the industry. The Association

has also assisted canners in attendance at the hearings to get into the record an adequate presentation of their views.

The status in Congress of legislation which affects the industry and which may come up for action at the special session unless Congressional action is limited to the neutrality question, was reviewed. Attention was also directed to the interpretative bulletin on the wage and hour law issued by the Wage and Hour Division and analyzed in the INFORMATION LETTER for August 26.

Senate Committee Orders Neutrality Bill Reported

The Senate Foreign Relations Committee on Thursday voted 17 to 6 to report to the Senate a neutrality measure providing for repeal of the arms embargo and otherwise containing the recommendations of the President. It is expected that prolonged debate on the bill will begin in the Senate on Monday, when the formal report will be filed by the Committee.

Both houses of Congress marked time during the week, holding meetings, out of parliamentary necessity, on Monday and Thursday and immediately adjourning. The House, which has already acted on neutrality legislation, by resolution agreed to meet but twice a week until October 9. Under a gentleman's agreement entered into by House leaders, no committee action or House action will be taken until that date. In the event the Senate has not completed action on neutrality legislation by October 9, administration leaders in the house will request that the three-day recesses continue.

OLD-AGE BENEFIT TAXES

Social Security Amendment Affects Employees Over 65 Years of Age

All canners who now have in their employ, or who at any time since January 1, 1939, have had in their employ, persons over 65 years of age, should take immediate steps to comply with the recent amendment to the Federal Social Security Act which subjects the wages of people over 65 to the Federal old-age benefit taxes.

Under the original Social Security Act, prior to amendment, the wages of persons over 65 were not subject to the old-age tax (although they were subject to the Federal unemployment compensation tax). The amendments adopted by Congress at its last session, however, specify that the old-age taxes as well as the unemployment compensation taxes shall apply to the wages of employees over 65. This amendment became effective immediately, and retroactively taxes all wages paid since January 1, 1939.

This amendment means that canners will now be required to pay the Federal old-age taxes on all wages paid to persons

Modern British Tommies to Get Varied Diet

A bully-beef-and-biscuits diet for the British Tommies in the present war is abandoned, and a wide choice of canned fruits, canned bacon, fresh vegetables, ham, beans, and cheese is substituted, according to a copyrighted despatch from London by the *New York Tribune*. In addition, the British soldiers will be supplied with varieties of jam.

During the World War, sometimes the only food supplied British soldiers at the front were the bully beef and biscuits, along with the well-known "plum and apple" jam.

over 65 since January 1 of this year. In addition, they will be required to deduct from the wages of such persons 1 per cent of all wages paid since January 1. If canners fail to deduct this 1 per cent they will nevertheless be required, with certain exceptions noted below, to pay it to the Federal government.

The procedure that should be followed to comply with this amendment is as follows:

1. Beginning immediately, canners should deduct 1 per cent from all current taxable wages paid to any person over 65 years of age.

2. In addition to deducting the 1 per cent from the current wage payments, it will be necessary for the canners to deduct from the wages of persons over 65 an amount equal to 1 per cent of all wages paid to these persons between January 1, 1939, and the time that the 1 per cent deductions are begun.

3. In filing Federal old-age tax returns for the quarter ending September 30, 1939, the canner must report the wages paid to persons over 65 not only for that specific quarter, but also for the two preceding quarters, January 1 to June 30. This return is made on Form SS-1A, and must be filed on or before October 31.

4. In filing the return on Form SS-1A for the quarter ending September 30, the canner should include in his tax payment the 1 per cent employer's tax on all wages paid to persons over 65 since January 1. In addition, he should account for, and pay, the 1 per cent employee's tax on all such wages since January 1, which by that time he should have deducted from the employee's wages. If any person over 65, who has received wages since January 1, 1939, is no longer in the employ of the canner, so a deduction from his wages is impossible, the canner is relieved of responsibility for paying the 1 per cent employee's taxes on the wages of such person. This is true, however, only if the canner does not have in his possession after November 8 of this year remuneration due and payable to that employee. Moreover, the fact that the employee no longer works for the canner does not relieve the canner of liability to pay the employee's tax.

In reporting and paying taxes on the wages paid to persons over 65, it should be remembered that only the first \$3,000 of wages paid to any one person is taxable.

A final detail should be observed. If persons over 65, whose wages are now subject to tax for the first time, do not have social security account numbers, it will be necessary for the employee immediately to procure such a number. Such numbers may be procured from the nearest field office of the Federal Social Security Board (the address of this office can be obtained from the local postmaster).

Report of Presiding Officer on Cream Standards

The report of the presiding officer at the hearings held May 10-12 in Washington for the purpose of receiving evidence upon the basis of which regulations may be promulgated fixing and establishing definitions and standards of identity for various types of cream, has been published in the *Federal Register* of September 26. Copies can be obtained from the Government Printing Office, Washington, D. C., for ten cents a copy.

DECISION IN A. AND P. CASE AFFIRMED Circuit Court Upholds Order Issued by Federal Trade Commission in Brokerage Case

In a decision that throws further light upon the complex prohibitions of the Robinson-Patman Act relating to the payment of brokerage, the United States Circuit Court of Appeals for the Third Circuit on September 22 affirmed the cease and desist order issued by the Federal Trade Commission against the Great Atlantic and Pacific Tea Co. last year.

The court's decision deals directly with two questions that have caused much confusion ever since the enactment of the Robinson-Patman Act. The first of these questions is whether brokerage payments can be made by the seller to the buyer (or to the buyer's agent) where it can be demonstrated that the buyer has rendered services to the seller. The second question is whether or not a seller, when he has saved brokerage fees by selling directly to the buyer, may pass these savings on to the buyer by reducing the net sales price by the amount of the brokerage saved.

In order to understand the manner in which the court dealt with these questions, it is necessary to outline briefly the facts involved. The original complaint against the A. and P. was issued by the Federal Trade Commission on January 13, 1937, charging a violation of the brokerage sections of the Robinson-Patman Act. In its complaint, and in its findings of fact and decision rendered on January 25, 1938, the Commission pointed out that prior to the enactment of the Robinson-Patman Act it had been the practice for sellers making sales directly to the A. and P. to pay to that company, through its buying agents, the brokerage fees that ordinarily would have been paid to a broker had he negotiated the sale. When the Robinson-Patman Act was adopted, the payment of these brokerage fees to the A. and P. was discontinued.

The Commission charged, however, that the methods of purchasing followed by the A. and P. after the adoption of the Act, nevertheless violated the brokerage provisions of the Act in that they constituted allowances or discounts in lieu of brokerage. The Commission found that the A. and P. had followed two principal methods in making its purchases after the effective date of the Act. In some instances, it purchased at lower net prices, the reduction in price representing the brokerage fee that formerly had been paid on sales to the A. and P. In other instances, the purchases were made at regular prices, but the A. and P. was granted so-called quantity discounts, which again approximated the brokerage fees ordinarily paid on such a sale when made through a broker.

In its decision, the court sustained the Commission's findings of fact, as supported by the evidence, and agreed with the Commission's conclusion that these price reductions and discounts constituted allowances in lieu of brokerage.

One of the contentions made by the A. and P., both before the Commission and in its arguments to the court, was that its buying agents rendered valuable services to the sellers of commodities, and that consequently the reductions in price and the quantity discounts could be made lawfully. The company demonstrated, for example, that its buying agents exchanged market information with the sellers, that they visited manufacturing establishments and suggested

methods for improving products, that they gave advice as to the size of containers, that they furnish sellers with information concerning the routing of shipments, and that they assisted in the disposal of excessive supplies.

The rendering of these services, the company contended, made the price reductions and discounts legal as subsection 2(c) of the Robinson-Patman Act prohibits the payment of brokerage, not absolutely but "except for services rendered in connection with the sale or purchase of goods".

The meaning of this proviso "except for services rendered" has never been clear. The court, although expressing doubt as to whether the reduction in price and quantity discounts afforded to the A. and P. were actually granted because of the services, considered at length the legislative history of the statute and concluded, in effect, that a buyer or his agent can, under no circumstances, render services to the seller for which brokerage may be paid. The court said:

"The phrase 'except for services rendered' is employed by Congress to indicate that if there be compensation to an agent, it must be for bona fide brokerage, viz., for actual services rendered to his principal by the agent. The agent cannot serve two masters, simultaneously rendering services in an arm's length transaction to both. While the phrase, 'for services rendered,' does not prohibit payment by the seller to his broker for bona fide brokerage services, it requires that such service be rendered by the broker to the person who has engaged him. In short, a buying and selling service cannot be combined in one person.

"Paragraph (c) was intended to effect and did effect a change in the law. Congress had ascertained that trade practices such as those employed by the petitioner prior to June 19, 1936, resulted in unfair competition. Prior to the passage of the Robinson-Patman amendment the petitioner received brokerage in monthly installments from sellers. Following the amendment, the petitioner inaugurated the three methods heretofore referred to to avoid that which the Act forbade. As we have stated the attempted avoidance is unsuccessful. The record clearly requires the conclusion that the field buying agents of the petitioner were the agents of the petitioner and that such services as were rendered by them to sellers were purely incidental to such representative capacity. For such incidental services, the petitioner may not be compensated."

The A. and P. also argued that, even if purchases at lower net prices did constitute receiving allowances or discounts in lieu of brokerage, such allowances were nevertheless permissible because they represented a saving to the seller in the cost of selling that may be reflected by a reduction from the selling prices under subsection (a) of the Act. The latter section permits "differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery". The court also rejected this contention, for the reason that, in its opinion, Congress had singled out, as particularly objectionable, the practice of granting discounts or reduced prices in lieu of brokerage, and that the brokerage provisions of the Act are wholly separate and distinct from the provisions relating to discriminations in price. The court said:

"Paragraph (a) is plainly directed toward price discrimination, no matter how arising, so long as it injures competition or affects the stream of commerce. Paragraph (c), upon the other hand, deals with one particular subject, viz., allowances and discounts in lieu of brokerage or brokerage of such nature and kind that commerce generally is affected thereby. In other words, paragraph (c) constitutes a spe-

cific prohibition of a specific act and the acts committed by the petitioner are within such prohibition. To read the words of paragraph (a) into paragraph (c) destroys the Congressional intent."

The decision of the Circuit Court of Appeals reaches conclusions concerning the brokerage provisions consistent with those previously announced by the Circuit Courts of Appeals for the Second and Fourth Circuits, respectively, in the Bidle Purchasing Co. and Oliver Brothers cases.

It is understood that the A. and P. will ask the United States Supreme Court to review the decision of the Circuit Court of Appeals.

New York City Considers "Consumers' Protection"

A proposed ordinance that would establish a so-called consumers' protection law for the City of New York was the subject of a hearing before a committee of the New York City Council on September 28. The measure was introduced on March 23, 1939, and supplants a previous proposal that was under consideration by the city council in 1938. The National Canners Association was represented at the hearing by the director of the Research Laboratory and by counsel. Grade-labeling provisions, included in earlier proposals, are not in the present bill.

As noted in the INFORMATION LETTER of March 25, the proposed ordinance would require that every manufacturer or proprietor of a proprietary food, drug, cosmetic, or mechanical health device register his product with the consumers' bureau. The annual registration fee would be \$10. The measure provides that a quantitative statement of ingredients in each proprietary product be placed on the label, except in cases of minute quantities of spices, etc., or in cases where the composition is a trade secret and cannot be disclosed by chemical analysis.

The names and places of business of both the manufacturer and the distributor would be required on the labels of all packaged goods. The bill would also establish a monthly bulletin, to be distributed free of charge, which would list all charges and identify the offenders.

It is again suggested that canners whose products are marketed in New York City will find it advantageous to communicate with their brokers and distributors in that city, as well as others interested in the canning industry, both to ascertain the progress of the proposed ordinance and to assist these groups by furnishing pertinent information for use in opposing impractical and unnecessary provisions embodied in the ordinance.

Data on Actual "Swell" Claims Asked from Canners

To supplement data on "swells" occurring in canners' own warehouses, the Association's Canners Conference Committee last week sent to canners a questionnaire designed to secure information on actual claims for swells made by distributors during 1938 and 1939.

The information will be used to prepare a general report for the Committee on the matter of swell allowances.

CANNED FOOD EXPORTS AND IMPORTS

	August, 1938		August, 1939		Jan.-Aug., 1938		Jan.-Aug., 1939	
	Pounds	Value	Pounds	Value	Pounds	Value	Pounds	Value
EXPORTS								
Meats, total.....	980,764	\$312,179	1,171,107	\$360,822	8,854,563	\$3,027,237	10,261,803	\$3,239,183
Beef, corned, etc.....	74,250	13,971	21,079	4,831	341,274	53,758	231,927	54,536
Other beef.....	78,422	28,114	85,047	33,134	1,041,802	372,474	920,383	350,938
Pork.....	651,513	228,584	792,634	265,190	5,754,359	2,155,517	6,738,813	2,290,740
Sausage.....	63,067	27,535	117,049	35,030	804,390	228,442	1,141,538	314,582
Other meat.....	83,503	13,975	154,398	31,637	912,738	187,046	1,229,232	238,387
Vegetables, total.....	3,608,933	340,282	4,471,653	385,978	23,693,271	2,228,214	28,579,715	2,570,982
Asparagus.....	1,214,924	167,028	1,133,718	158,298	7,622,303	1,090,742	9,404,526	1,263,620
Beans, baked and with pork.....	481,724	21,340	842,237	30,359	3,458,937	155,336	4,096,784	162,762
Corn.....	170,391	11,214	160,206	11,327	1,383,635	101,230	1,937,193	135,151
Peas.....	781,523	59,688	1,119,262	83,875	2,885,946	219,428	3,624,586	245,462
Soups.....	265,111	24,754	462,201	43,901	2,025,357	199,896	2,253,642	224,424
Tomatoes.....	127,241	6,451	153,636	8,136	805,608	48,040	1,020,182	57,589
Tomato paste and puree.....	106,321	7,147	66,722	4,530	838,976	57,007	911,379	66,564
Tomato juice.....	171,115	10,844	151,615	10,545	2,317,553	134,045	1,718,047	104,505
Other vegetables.....	380,583	31,816	382,056	35,007	2,354,956	222,490	3,613,376	310,875
Condensed milk.....	80,273	9,810	194,094	19,515	4,177,552	506,272	1,362,531	149,811
Evaporated milk.....	1,922,232	130,999	1,975,887	128,493	14,751,558	1,048,997	15,877,911	1,025,017
Fish:								
Salmon.....	6,047,554	926,108	2,887,654	516,588	22,846,877	3,678,180	23,496,643	3,564,604
Sardines.....	1,146,512	86,983	2,842,479	186,229	20,267,244	1,388,766	29,774,751	1,979,805
Other fish.....	226,630	24,569	29,821	6,725	1,593,117	201,186	1,175,311	109,956
Shellfish—								
Shrimp.....	273,743	53,637	486,266	66,796	2,749,695	577,941	3,756,568	600,823
Other shell-fish.....	25,908	5,476	60,857	7,904	1,242,900	205,367	594,618	91,549
Fruits, total.....	25,408,772	1,847,171	35,859,334	2,574,495	161,425,784	12,049,952	194,094,939	12,901,679
Grapefruit.....	746,343	46,327	3,301,820	188,773	31,238,044	2,045,682	41,220,254	2,206,795
Loganberries.....	1,297,211	101,055	629,502	47,757	3,054,864	249,505	2,542,945	199,416
Other berries.....	237,061	23,827	143,290	15,325	703,297	76,751	595,880	57,973
Apples and sauce.....	902,731	39,019	397,231	17,305	6,694,795	296,778	7,183,330	310,905
Apricots.....	5,968,154	386,597	8,775,640	599,890	29,273,702	1,376,376	22,783,455	1,463,399
Cherries.....	1,066,235	77,341	617,265	45,134	2,877,043	257,981	2,432,134	209,135
Prunes.....	37,784	2,995	89,600	5,764	651,691	56,838	762,692	52,597
Peaches.....	6,287,883	382,232	11,373,450	670,568	30,627,305	2,127,240	46,484,390	2,784,186
Pears.....	2,463,648	174,250	2,374,519	180,298	34,530,658	2,406,449	33,444,185	2,246,400
Pineapple.....	2,017,843	175,926	3,096,328	287,282	7,910,542	767,118	12,721,171	1,041,641
Fruit salad and cocktail.....	4,150,609	415,518	4,812,891	495,116	21,038,873	2,266,888	21,829,736	2,144,885
Other fruits.....	231,270	22,084	738,798	21,283	1,824,970	182,346	2,094,787	184,347
Fruit juices (in gallons):								
Pineapple.....			101,538	57,180			541,592	304,577
Grapefruit.....			250,625	76,078			1,863,027	597,066
Orange.....			59,838	42,536			382,557	274,066
Other fruit juices.....			46,126	37,019			265,418	239,956
IMPORTS								
Meat:								
Beef.....	5,398,324	550,033	7,514,864	730,029	52,064,808	5,510,760	56,592,652	5,617,373
Other meats.....			11,559	3,207			145,093	39,065
Milk: condensed and evaporated...	24,255	1,705	9,657	713	356,025	28,598	125,261	7,474
Fish:								
Packed in oil—								
Sardines.....	2,547,131	351,088	3,455,457	490,023	12,682,477	1,884,349	19,194,687	2,800,635
Anchovies.....	146,675	60,763	183,247	62,040	1,356,575	609,603	1,556,229	577,121
Tuna.....	672,928	127,628	923,082	159,622	5,067,490	843,892	6,561,962	1,055,574
Other fish in oil.....	36,309	9,679	47,104	11,936	397,325	105,217	403,100	102,970
Other fish not in oil.....	1,228,414	107,794	1,190,691	112,096	8,595,179	772,769	9,385,168	861,943
Caviar and other roe.....			8,616	4,851			99,147	56,976
Shellfish—								
Crab meat and sauce.....	1,063,310	403,977	1,024,525	338,692	5,528,707	1,985,126	7,109,749	2,429,368
Clams and oysters.....	36,020	9,269	70,382	16,731	437,178	90,193	562,013	129,429
Lobsters.....	46,144	21,432	40,488	18,620	445,476	201,423	603,945	269,496
Other shellfish.....			867,055	106,406			10,607,698	819,525
Vegetables:								
Peas.....	20,761	1,980	18,197	2,528	285,579	24,618	1,038,376	113,705
Pimientos.....			5,187	655			138,476	17,730
Mushrooms.....	45,398	10,655	55,349	11,412	547,236	132,175	583,323	117,312
Tomatoes.....	1,443,004	58,807	2,395,971	87,537	30,696,101	1,263,516	39,299,805	1,536,373
Tomato paste and sauce.....	677,975	41,162	268,636	18,848	5,860,867	387,514	4,211,405	320,826
Other vegetables.....	3,935	283	13,882	731	140,812	8,441	143,810	7,298
Fruit:								
Pineapple, dutiable.....	1,579,525	107,202	3,196,775	164,898	7,894,606	461,219	15,948,129	746,764
Pineapple, free (Philippines).....	7,305,460	376,563	5,222,698	200,120	8,270,504	425,406	31,449,643	1,169,174
Mandarin oranges.....	111,869		184,320	10,850			1,038,907	

Hearings on Fruit Butters Postponed to October 9

The hearings on standards for preserves, jellies, and fruit butters, which opened on September 11, were not concluded before the date set for the cheese hearings (September 25), with the result that the hearings on fruit butters were postponed and now are scheduled to open October 9.

FSCC Issues Revised Surplus Foods List

The Federal Surplus Commodities Corporation this week issued a revised list of commodities that have been officially designated as surplus foods that may be obtained with blue surplus food order stamps, under the stamp plan for distributing surpluses to relief families. Products on the list for the first time are raisins, apples, pork lard, and snap beans (designated as surplus for the period October 1 through October 31). The list is to become effective October 1, and includes the following 12 food items:

Butter, eggs, raisins, apples, pork lard, dried prunes, onions (except green onions), dry beans, fresh pears, wheat flour and whole wheat (Graham) flour, and corn meal.

Five commodities on the present list of surplus foods will be taken from the list after October 1. They include cabbage, fresh peaches, fresh tomatoes, rice, and fresh green peas.

More Countries Restrict Foreign Trade

Restrictions on foreign trade were announced this week by a number of countries in addition to those noted in the last two issues of the INFORMATION LETTER. These regulations are reported to the Department of Commerce by American foreign officials, and are summarized briefly in the following paragraphs:

Switzerland.—Exportation of practically all merchandise subjected to export licenses and license taxes.

Denmark.—Exportation from Denmark of numerous manufactured and processed goods, essential foodstuffs, and feedstuffs, essential raw materials, and certain articles for hospital use, has been made subject to license. A central office for purchase and distribution of feedstuffs has been established, and it is reported that the government is requisitioning stocks of corn and feeding grain. Importation of dried fruits, coffee, leaf tobacco, and newsprint is subjected to import permit.

United Kingdom.—Imports of grapes are being restricted to 25 per cent in sterling value of last year's imports, and importations of other soft fruits are being permitted only from Empire sources.

Australia.—Exportation of all goods restricted under license control, and surplus supplies of wool, canned and dried fruits, meat, butter, cheese, eggs, sugar, refined zinc, wheat, lead, and copper are reserved for United Kingdom.

New Zealand.—Surplus supplies of wool, meat, butter, and cheese are reserved for United Kingdom.

Argentina.—President authorized to restrict or prohibit exportation of specified products, including food, clothing, light, fuel, medicine, and construction materials.

Dominican Republic.—President authorized to regulate importation, exportation, sale, and distribution of specified products, including bread, meat, fish, milk, butter, cheese,

coffee, chocolate, eggs, edible fats and oils, sugar, salt, cereals, vegetables, other articles considered essential for human consumption, coal, and medicinals.

Norway.—Licenses are not required for most products imported into Norway at present; however, by terms of previous decrees, import licenses are required for following products of interest to American exporters: footwear, silk garments, feathers and down, cordage, vegetable oils, cement, radios, radio equipment, and automobiles.

Sweden.—Importation of coal, coke and coal briquets has been made subject to license. Since August 28, licenses have been also required for coffee, coffee substitutes, tea, pepper, cardamon, and cocoa.

Yugoslavia.—Import license control extended to all products.

Latvia.—Export license requirements established for coal, coke, iron, steel, cast iron, lead, zinc, copper, brass, aluminum, wool, cotton, rubber, fuels, and lubricants.

Texas Growers of Citrus Fruit to Vote on Program

Growers of citrus fruit in the three Texas counties of Cameron, Hidalgo, and Wilacy are to vote about the middle of October on a proposal for a new marketing agreement program.

CANNING CROP FORECASTS

Agriculture Department Reports Production Indicated on September 15

Production prospects for various late-season commercial vegetable crops was reported September 25 by the Agricultural Marketing Service. The forecasts are based upon the probable yield per acre indicated by the condition of the crop on September 15, as reported by canners.

In the following table, compiled from the reports of the Agricultural Marketing Service, are shown the indicated production on September 15 of certain truck crops for commercial manufacture, with comparisons of the production indicated on September 1, and of the 1938 actual production:

	Production 1938	Indicated Production	
		Sept. 1, 1939	Sept. 15, 1939
	Tons	Tons	Tons
Tomatoes for manufacture.....	1,737,700	1,675,800	1,644,900
Sweet corn for manufacture.....	880,100	595,100	593,900
Beets for canning.....	71,880	36,700
Lima beans for manufacture.....	28,740	30,200	29,340
Cabbage for sauerkraut.....	105,400	114,200	108,800
Pimientos for manufacture.....	37,690	27,000	25,360

Up until September 15, the Agricultural Marketing Service said in its report, practically the entire country escaped damaging frosts. On the contrary, abnormally high temperatures and an absence of rainfall over extensive areas were reported by the Weather Bureau for this period. As a consequence, the Marketing Service in its appraisal of the production prospects on September 15 for various late-season commercial vegetable crops points out the following significant facts:

The portion of the tomato crop which had not been harvested for manufacture prior to the early September period of hot, dry weather suffered from its effects. On the basis of an analysis of reports received from tomato canners and

products manufacturers containing information on the condition of the crop on September 15 and probable yield per acre, a production of 1,644,900 tons is indicated for 1939 compared with 1,737,700 tons harvested in 1938. The tonnage now in prospect is about 2 per cent less than was indicated on September 1.

The 1939 tonnage of cabbage for sauerkraut is expected to total 108,800 tons on the basis of the September 15 available information. The tonnage now in prospect is a little better than half the 1938 estimated production of 195,400 tons. The 1939 indicated production is the lowest since 1933, when there was serious damage from heat and drought to the growing crop.

Dry weather during the growing season in all important beet producing States has curtailed production prospects for 1939. The September 15 indicated production of 36,700 tons for canning in 1939 compares with 71,880 tons harvested in 1938.

Better than average yields of lima beans for manufacture are in prospect and a production of 29,340 tons is indicated for 1939 compared with 28,740 tons estimated for 1938.

Harvesting the 1939 crop of sweet corn was generally finished by September 1 except in a few late States. Little change in the tonnage for manufacture was indicated by the September 15 reports, and the 1939 production of this crop was expected to total 593,900 tons for manufacture, compared with the production for 1938 of 880,100 tons.

Harvesting of pimientos for manufacture is reported in progress in California and Georgia, and a total tonnage of 25,360 tons is expected for 1939 compared with 37,690 tons obtained last year.

Death Claims Prominent Maine Canner

James Phinney Baxter, Jr., 72, for 50 years a member of the firm of H. C. Baxter & Bro., died Monday night at North Chatham, N. Y., where he was stricken with a heart attack a week ago. Mr. Baxter had been active in the work of the National Cannery Association, serving in past years as a member of the Board of Directors and the Administrative Council.

He was born at Portland, February 27, 1867, and was educated at Williams College, of which his son, James P. Baxter, 3rd, is now president. His father was a canner, and upon graduation from college, Mr. Baxter entered his father's firm, the Portland Packing Co. Later, with two brothers, Rupert H. and Hartley C. Baxter, he formed the canning firm with which he was connected during the rest of his life.

Besides his brothers and son, Mr. Baxter is survived by his widow, Nelly Furbish Carpenter Baxter, and a daughter, Nelly B. Browne. Funeral service was held Thursday at Portland.

In one of the Portland newspapers appeared the following editorial tribute to Mr. Baxter, which will be endorsed fully by his associates in the Association and in the canning industry:

"Mr. Baxter never held public office; upon him the lime-light of publicity, except by reflection, never fell; he was a businessman of rare integrity and ability and one of those solid citizens who form the backbone of a community. The suddenness of his passing is a grief to his many friends; but they will feel a greater grief in the increasing realization that they have lost one more of the men who have made Portland great and substantial."

Stocks and Shipments of Canned Peas

Total stocks of canned peas on September 1, 1939, amounted to 17,266,704 actual cases, compared with 23,082,072 cases on September 1, 1938, according to figures compiled by the Association's Division of Statistics. Shipments from June 1 to September 1, 1939, were 6,485,892 cases, compared with 7,022,092 during the same three months in 1938.

In the following table are shown by regions and varieties the 1939 carryover and stocks on June 1, the 1939 pack, September 1 stocks, and shipments during the three months June through August:

	Carryover, June 1	1939 pack	Sept. 1 stocks	Shipments June-Aug.
New York and Maine:	Cases	Cases	Cases	Cases
Alaskas.....	31,443	112,180	116,419	27,204
Sweets.....	470,660	1,400,094	1,390,898	479,856
Middle Atlantic:				
Alaskas.....	220,722	1,128,604	515,568	833,758
Sweets.....	113,848	140,693	130,572	132,969
Midwest:				
Alaskas.....	2,080,148	4,279,623	4,314,697	2,054,074
Sweets.....	2,609,864	4,174,053	5,316,281	1,467,636
Western:				
Alaskas.....	27,783	129,396	117,563	39,616
Sweets.....	1,861,350	4,954,129	5,364,706	1,450,779
Total:				
Alaskas.....	2,369,096	5,649,803	5,064,247	2,954,652
Sweets.....	5,055,728	10,677,969	12,202,457	3,531,240

Fruit and Vegetable Market Competition

Carlot Shipments as reported by the Bureau of Agricultural Economics, Department of Agriculture

VEGETABLES	Week ending—			Season total to—		
	Sept. 23, 1938	Sept. 23, 1939	Sept. 16, 1939	Sept. 23, 1938	Sept. 23, 1939	
Beans, snap and lima.....	9	38	10	8,143	6,601	
Tomatoes.....	640	543	825	31,442	24,683	
Green peas.....	142	115	108	5,753	6,622	
Spinach.....	31	33	42	6,658	6,423	
Others:						
Domestic, competing directly.....	1,446	1,071	2,402	72,750	65,950	
Imports, competing indirectly.....	102	67	66	300	210	
FRUITS						
Citrus, domestic.....	2,263	1,605	1,768	108,153	177,690	
Imports.....	13	25	31	190	110	
Others, domestic.....	4,595	4,854	4,539	50,948	50,494	

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